**Establishment of the
Coffee Public-Private Task Force**

1.   The Executive Director presents his compliments and wishes to draw to the attention of Members, and members of the Private Sector Consultative Board the enclosed draft Terms of Reference to establish a Coffee Public-Private Task Force and related technical working groups for your <u>consideration</u> and <u>action</u>.

2.   A Note Verbale has also been issued to Members with Permanent Representations in Brussels, London and Paris.

Background

3.   International Coffee Council (ICC) Decision 125-10 of 27 September 2019 requested the International Coffee Organization (ICO) "to set up a task force with ICO Members as well as representatives of the private sector and supporting organizations to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability" and confirmed that "the 2nd CEO and Global Leaders Forum, to be held during the fifth World Coffee Conference in Bengaluru, India, 10-12 September 2020, will consider the outcomes of the task force and pursue its efforts in proposing concrete solutions to the coffee crisis and price volatility issue".

4.   In compliance with that Decision, the Secretariat has been reviewing best practices for public-private collaboration in use by other commodity bodies and international organizations, in addition to conducting a series of informal consultations, to develop a roadmap to put into practice the commitments made by the signatories of the London Declaration on 23 September this year.

5.   In order to establish an effective Coffee Public-Private Task Force, together with identifying resources and strategic options, the ICO has adopted as guiding principles: inclusiveness, effectiveness, innovation and urgency in addressing coffee price levels, volatility and the product's long-term sustainability – as Members have requested through ICC Resolution 465 on Coffee Price Levels.

Draft Terms of Reference for the Coffee Public-Private Task Force

6.   As a result of this consultation and assessment process, the ICO has secured a commitment by some countries to provide financial and technical resources, and have defined a scheme for your consideration and action as presented in the enclosed draft Terms of Reference (ToR) for the Coffee Public-Private Task Force (see Annex I).

7.   The scheme is based on the international negotiating and consensus-building processes followed by the G20 (and G7) countries on an annual basis, enabling both a) verification of the realisation of the agreed commitments of each member; and b) negotiation of new joint actions, commitments and allocation of resources to respond to crises or relevant matters. The application of such a scheme to address issues within a commodity sector in a multilateral context is unprecedented, as is the establishment of a Public-Private Task Force. Therefore, in order to be successful and efficiently implemented, strong and continuous engagement by all public and private sector members of the Task Force (TF) is crucial.

Action

8.   In order to ensure that the Task Force can start its work as soon as possible, we kindly ask you to:

i.   Review the scheme set out in the ToR of the Coffee Public-Private Task Force (Annex I);

ii.   Define modalities for selecting 16 members/sherpas of the Task Force to represent the membership from all exporting countries' regions (Africa, Asia and Pacific, Central America and Mexico and Latin America) and from importing countries;

iii.   Nominate the ICO Members' sherpas as your representatives to the Task Force;

iv.   Review the list of working groups and suggest those you would like to participate in or suggest alternatives; and

v.   Consider providing (as expected also from the private sector partners) on a voluntary basis, cash and/or in kind contributions for the realisation of the coffee sector dialogue and the work of the Task Force and its working groups, securing access to specialized expertise, logistics and transport support (especially for enabling exporting countries sherpas to attend TF meetings) as well as communication, reporting and event management services.

vi.   Register for an introductory webinar. To facilitate the dialogue, we will be hosting an introductory **webinar on four separate occasions** (see dates and times below), to support maximum participation to present both the scheme and the draft Terms of Reference of the Coffee Public-Private Task Force and to collect your inputs and suggestions. We regret that limited resources dictate that the webinars are held in **English only**. A recording of the webinars will be available on request for those unable to attend.

Introductory ICO webinar on the Coffee Public-Private Task Force	
Date	**Time (GMT)**
17 December 2019	09:30-11:00
18 December 2019	15:00-16:30
15 January 2020	09:30-11:00
15 January 2020	15:00-16:30

Please kindly confirm the webinar you wish to attend by sending an email to info@ico.org **by 13 December**. We are of course also available for bilateral discussions by contacting Gerardo Patacconi, Head of Operations (patacconi@ico.org, +44(0)7917044127), or Christoph Sänger, Senior Economist (saenger@ico.org, +44 (0)2076120610).

9.   We look forward to working with you and advancing swiftly the ICO-led Sector-wide Dialogue and the implementation of the decisions and resolutions of the International Coffee Council as well as of the London Declaration, in a true spirit of shared values and responsibility to ensure a sustainable future for the coffee sector, in particular smallholder farmers.

ANNEX I

TERMS OF REFERENCE

Establishment of a Public-Private Task Force and related Technical Working Groups for the implementation of Resolution 465 and the London Declaration

1.   Objective

The aim of the Coffee Public-Private Task Force (TF) on coffee price levels, volatility and sustainability and related technical Working Groups (WG) is to implement Resolution 465 and the London Declaration, thereby actively progressing the work of the Sector-wide Dialogue initiated and led by the International Coffee Organization (ICO).

The objectives of the Task Force are (i) to build consensus among public and private sector coffee stakeholders on a roadmap for the implementation of the commitments and concrete actions contained in the London Declaration; (ii) to define new joint concrete actions and resource allocation; (iii) to monitor progress and measure impact; and (iv) to drive the discussion on a joint long-term vision for the sector in order to achieve transformational solutions.

The objective of the Working Groups is to support the work of the Task Force by (i) providing technical inputs required to transform commitments into concrete actions through, for example, feasibility studies, surveys and research, which build on, whenever possible, existing tools and frameworks already available within the sector, and (ii) developing a theory of change and shared vision of success for the initiative, again based on what is already available in the sector.

2.   Background

At its 122nd Session in September 2018 in London, the International Coffee Council (ICC) adopted Resolution 465[1] to address the impact of low prices on the livelihoods of coffee farmers. This Resolution provides the Organization with a mandate to open a Sector-wide Dialogue to engage all value chain actors as well as the international community in collective actions. The Dialogue, which formally started in March 2019, culminated in the 1st CEO and Global Leaders Forum (CGLF1) held in London on 23 September 2019.

CGLF1 brought together key industry players who signed the "London Declaration" [2], which sets out commitments by private sector enterprises to work with governments, development partners and civil society, with the objective of implementing practical and time-bound actions to address the current coffee crisis that concerns coffee stakeholders, thereby contributing to the implementation of the 2030 Agenda for Sustainable Development of the United Nations.

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1 http://www.ico.org/documents/cy2017-18/icc-res-465e-low-coffee-prices.pdf
2 https://www.internationalcoffeecouncil.org/media/LondonDeclaration.pdf

Subsequently, during its 125th Session held from 23-27 September 2019, the International Coffee Council welcomed the London Declaration and confirmed ICO Members' commitment to work together with the signatories of the London Declaration and other stakeholders to jointly define detailed and concrete actions[3].

Specifically, the Council requested the ICO "to set up a Task Force with ICO Members as well as representatives of the private sector and supporting organizations to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability", with the outcome of the work of the Task Force to be considered at the 2nd CEO and Global Leaders Forum during the 5th World Coffee Conference in Bengaluru, India, in September 2020.

To address price levels and volatility and to achieve an economically viable and sustainable coffee sector, the work of the Task Force will focus on six thematic areas for action identified in Resolution 465 and in the London Declaration:

1. **Market transparency** (with distinct focus on: market information systems on production cost and living Income benchmarks, responsible sourcing, environmental sustainability, price, etc.)
2. **Strengthening the policy and institutional environment** (efficient functioning of coffee futures markets, effective policies in exporting/importing countries)
3. **Global and regional funding mechanisms**
4. **Sector coordination** (individual and shared commitments, theory of change and measurement of impact/progress)
5. **Promoting competitive and sustainable production and expanding sustainable sourcing**
6. **Promoting responsible consumption.**

3.   A unique consensus-building model

The evolution of the ICO Sector-wide Dialogue to address the current coffee price crisis and long-term sustainability, from ad-hoc consultation events to a continuous process will be broadly based on the '*G20 Summit*'[4] model – a high-level inter-governmental process that was created in response to the 2008 financial crisis. This would allow the reflection of a spirit of co-responsibility of coffee sector stakeholders, both public and private, as well as the urgency and seriousness of both short- and long-term sustainability challenges (economic, social and environmental) faced by the sector.

Similar to the *G20 model*, the ICO Sector-wide Dialogue is geared towards addressing global challenges faced by the coffee sector through **consensus-driven action**. A ground-breaking, innovation of the ICO Sector-wide Dialogue is that consensus is built not only among governments but explicitly between public and private sector stakeholders.

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3 http://www.ico.org/documents/cy2018-19/icc-125-10e-decision.pdf

[4] The G20 Summit is formally known as the "Summit on Financial Markets and the World Economy," and is an international forum convened annually. Its members (19 countries and the EU) represent more than 80% of the world's GDP. The primary agenda addressed at the Summit meetings is focused on issues related to the global economy. However, the discussions in recent Summits have also included issues such as trade and investment, development, climate change and energy, employment, digitalization, counter-terrorism, as well as migration and refugees (Source: https://g20.org/en/). The same model is also utilized by the Group of Seven (G7) which since 1975 emerged as a summit of leaders of major industrialised countries, initially to facilitate shared macro-economic initiatives as reaction to the 1970s energy crisis and ensuing recessions.

The key feature of the consensus-building process is the Coffee Public-Private Task Force that will work towards possible agreements on actions and resources to be adopted by annual 'summits', the CGLF and ICC (Figure 1).

As such, the evolution of the Sector-wide Dialogue and the creation of the Task Force present an unprecedented public-private partnership in the coffee sector and a *unique* multi-stakeholder partnership mechanism to address price levels and volatility and to achieve long-term sustainability in a specific sector in line with the 17 UN Sustainable Development Goals.

4. Public-Private Task Force (TF)

4.1 Membership of the Task Force

The Task Force will be constituted by [32] members (sherpas[5]), of which 16 are representatives of ICO Member countries and 16 representatives of the private sector, observers, with the addition of the ICO Executive Director as ex-officio secretary of the Task Force, and the ICO Head of Operations as his alternate.

Private sector sherpas [16]:

- [12] signatories of the London Declaration (companies)
- [2] the Chair and Vice-chair of the ICO Private Sector Consultative Board (PSCB)
- [2] private sector initiatives (GCP, SCC).

Public sector sherpas [16]:

- The representation of ICO Member countries in the Task Force still needs to be determined and should match the number of private sector sherpas.
- A model that was discussed informally at the 125th Session of the ICC foresees:
  - Regional grouping of exporting Members (Africa, Asia, Central America & Mexico, South America) with 2/4 countries per group.
  - Importing Members represented by 3/4 countries.

Observers:

- Supporting organizations as per the London Declaration
- International organizations and International Financial Institutions (IFIs)
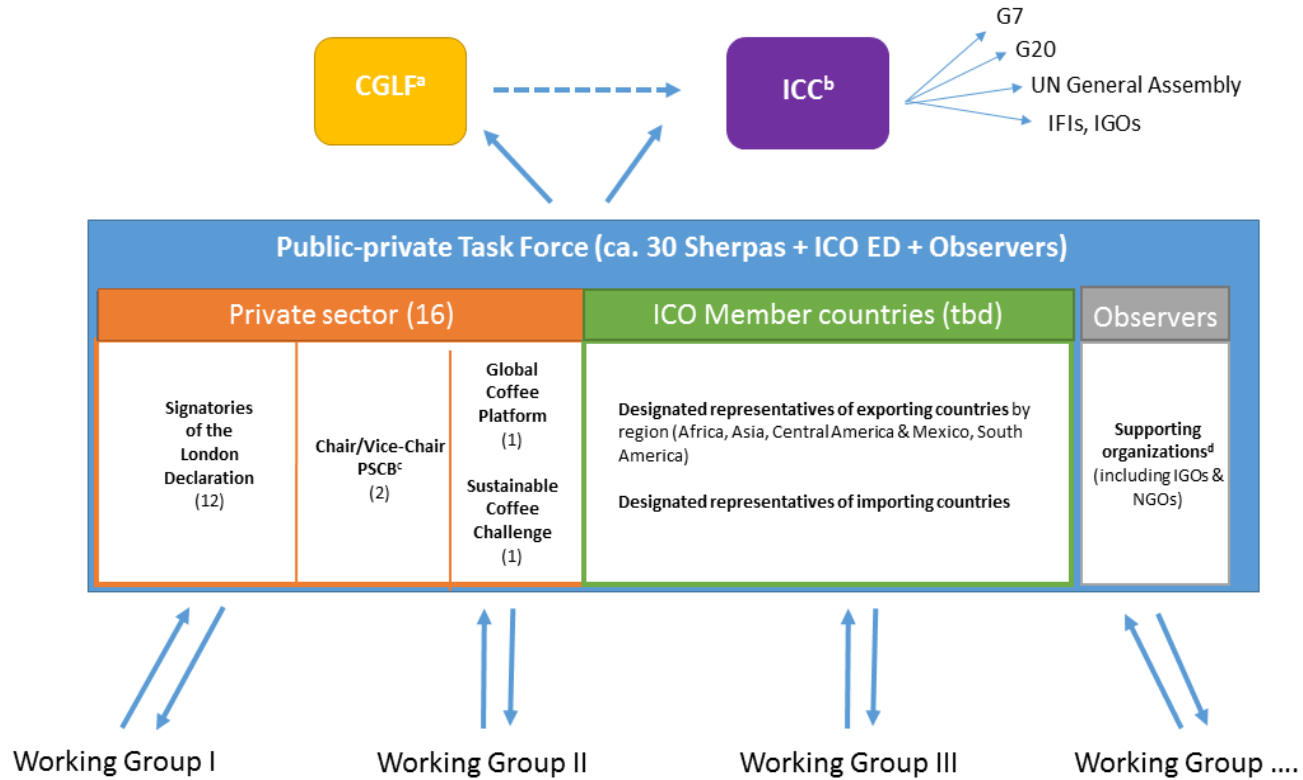- Other organizations involved in Working Groups.

Presidency:

- As a deviation from the G20 model, the Task Force cannot effectively assign the Presidency to one of the members on an annual basis due to its membership and size. Therefore, the agenda will be set every year by the ICO Secretariat based on inputs provided by the Task Force, ICO Members and civil society, taking into account issues raised in global forums, such as the UN, G7/G20 and national and relevant regional entities.

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5 A general overview of the concept of Sherpa can be found here.

Figure 1: ICO Sector-wide Dialogue

CGLF[a] - - - - -> ICC[b]

G7
G20
UN General Assembly
IFIs, IGOs

Public-private Task Force (ca. 30 Sherpas + ICO ED + Observers)

Private sector (16)			ICO Member countries (tbd)	Observers
Signatories of the London Declaration (12)	Chair/Vice-Chair PSCB[c] (2)	Global Coffee Platform (1) Sustainable Coffee Challenge (1)	Designated representatives of exporting countries by region (Africa, Asia, Central America & Mexico, South America) Designated representatives of importing countries	Supporting organizations[d] (including IGOs & NGOs)

Working Group I   Working Group II   Working Group III   Working Group ....

[a] CEO & Global Leaders Forum
[b] International Coffee Council
[c] Private Sector Consultative Board (see Annex III for composition)
[d] Supporting organizations of the Declaration (initial list see Annex II) are invited as members/lead of working groups and to attend the Task Force meetings as observers/invited partners similar to G20 process

4.2   Roles and responsibilities of the Task Force

- Maintaining the public-private dialogue and high-level progress tracking regarding commitments in Resolution 465/London Declaration. The Task Force is the key platform for dialogue between summits (CGLF and ICC).
- Driving the further development and operationalization of commitments and building consensus, with the next important milestone being the CGLF in 2020.
- Developing a shared definition of the agenda for public-private dialogue in line with Resolution 465/London Declaration, clarifying expectations, and identifying opportunities for shared action.
- Providing directional guidance to the Working Groups.
- Reviewing outputs and recommendations of the Working Groups.
- Recommending a set of actions, commitments and resource requirements that will be shaped in an agreed communiqué to be discussed by the CEO and Global Leaders Forum and the International Coffee Council.

Box: What is a sherpa?

The Task Force sherpa is an individual with a mandate to negotiate on behalf of the organization or grouping she/he represents.

As members of the Task Force, sherpas prepare the annual 'summit' of the Sector-wide Dialogue, the CEO & Global Leaders Forum / International Coffee Council. Between summits there are multiple Task Force meetings where possible agreements are laid out.

The continuous dialogue enables the sherpas to identify areas of consensus as well as areas where further debate and negotiation is required, track progress on commitments, thereby reducing the amount of time and resources required at the final summit. While sherpas are influential in driving consensus between summits, the authority to make a final decisions on any proposed agreement is reserved to the summit (CGLF/ICC).

4.3   Meetings of the Task Force

Three meetings per annum, preferably held back-to-back to important coffee sector events, tentatively:

(1) February/March 2020 [ICO, London or other locations, preferably back-to-back to other coffee events)

(2) April/May 2020: during the 126th Session of the International Coffee Council, London (27 April-1 May 2020)

(3) June/July 2020 [ICO, London or other locations, preferably back-to-back to other coffee events).

Remarks: The ICO is committed to mobilising voluntary contributions also to facilitate the participation of exporting countries' sherpas in the work of the TF, taking into account the impact of the price crisis on their travel budgets.

5.   Technical Working Groups (WGs)

5.1   Membership of Working Groups

- Membership of the Working Groups is voluntary and should be based on the expertise required. Membership can be drawn from all stakeholder groups: industry, platforms/associations, IGOs, IFIs, government representatives, producer organizations, academia, etc.

- To ensure that the outcomes of the Working Groups are practical, each Working Group should include several industry 'champions' that are eager to drive the topic forward and provide a strong link to the market.

- Ad-hoc expertise may be required to produce technical inputs through studies, surveys and research, for which additional resources and voluntary contributions may be required.

- Participation in the Working Groups can be physical or virtual through online connection.

5.2   Roles and responsibilities of the WGs

- Producing technical inputs (e.g. feasibility studies) required to support the implementation of commitments and concrete actions as per directional guidance of the TF.

- Building on existing initiatives of the coffee industry and other relevant sectors.

- Presenting technical reports in Task Force Meetings to provide sherpas with relevant information to build informed consensus.

- Establishing linkages between Working Groups in order to ensure coherence.

- Working Groups cover specific thematic aspects as identified by the London Declaration. In forming WGs, existing work/initiatives carried out by sector stakeholders will be taken into account in order to minimize duplication and the number of groups to be newly formed (see Table 1 for a tentative list of WGs).

Remarks: The number and scope of the Working Groups presented below is tentative and should be revised by the Coffee Public and Private (CCP) Task Force.

Table 1: Working Groups will be formed in the key areas for action identified by the London Declaration and to respond to coffee sustainability challenges (preliminary, to be further reviewed by the TF)

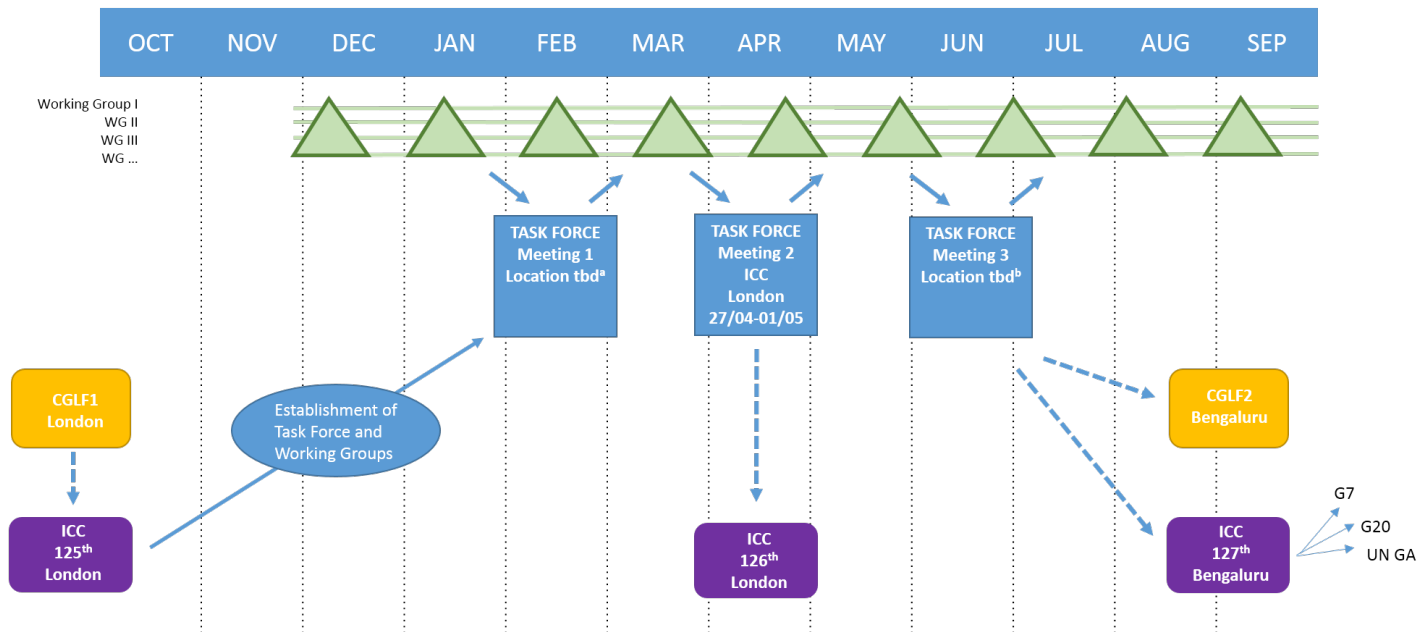| Thematic area from Declaration	Specific outcomes	Structure for coordination	Lead organization (for specific outcome areas where applicable)
MARKET TRANSPARENCY	Market information (systems) used to proactively address or prevent price fluctuations and market shocks	**Working Group I "Market transparency"**	ICO
	Living Income gap addressed in key production areas		*tbd*
	Transparency on cost of production in key production regions		ICO
	Transparent, sustainable sourcing form diverse origins		GCP
STRENGTHENING POLICY & INSTITUTIONAL ENVIRONMENT	Effective functioning of market institutions (including futures market)	**Working Group II 'Market policies & institutions'**	GCP/ICO
	Policy development in exporting/importing countries supports sustainable production		ICO
	National dialogues foster the development of an enabling environment in exporting countries		GCP
ALLOCATION & GLOBAL COORDINATION OF FUNDING	Effective public, private and blended (impact) investments made, coordinated through global multi-stakeholder funding mechanism(s)	**Working Group III 'Funding mechanisms'**	ICO
	Feasibility study for a global stabilisation fund		[Olam]
SECTOR COORDINATION	London Declaration operationalized through coordination of individual and shared action	**Working Group IV 'Sector Coordination'**	SCC
	Joint vision for the sector, Theory of Change /measurement framework of Sector Dialogue developed		*tbd*
PROMOTING RESPONSIBLE CONSUMPTION	Increased demand for sustainably sourced coffee from diverse origins in traditional and emerging markets, especially in producing countries	*tbd*	*tbd*
PROMOTING COMPETITIVE & SUSTAINABLE PRODUCTION/ SUSTAINABLE SOURCING	Improved economic viability as well as environmental and social sustainability of coffee production	**Working Group V 'Sustainable production & sourcing'**	SCC
	Sustainable use and protection of natural resources by the coffee sector		SCC

5.3   Meetings of the Working Groups

Continuous/ad-hoc as required.

6. Preliminary high-level timeline

The proposed process will be coordinated by the ICO and is based on continuous technical work in the Working Groups and negotiations of sherpas in three Task Force meetings in preparation for the annual 'summit' in the form of the CEO & Global Leaders Forum / International Coffee Council.

Figure 2: Preliminary timeline

Coffee year 2019/20

ANNEX II: Signatories and supporting organisations of the London Declaration (up to 20/11/2019)

Signatories	Supporting organizations
• ECOM Trading • Illycaffè S.p.A. • Jacobs Douwe Egberts (JDE) • Lavazza S.p.A. • Mercon • Nestlé S.A. • Neumann Kaffee Gruppe • Olam • Starbucks Coffee Company • Sucafina • Tchibo • Volcafe	• CLAC • Fairtrade International • Global Coffee Platform • Hanns R. Neumann Stiftung • IDH the Sustainable Trade Initiative • National Coffee Association of the USA • Oikocredit • Rainforest Alliance • Rusteacoffee • Specialty Coffee Association • Sustainable Coffee Challenge

ANNEX III: Private Sector Consultative Board (PSCB)

The PSCB is an ICO advisory body composed of 16 leading industry representatives from exporting and importing Members. It considers matters including increasing the value and volume of worldwide coffee consumption; positive communication on coffee, development of a sustainable coffee sector; food safety, quality and coffee supply chain issues.

Chair: Anil Bhandari (India Coffee Trust) **Vice-Chair:** Bill Murray (NCA)

Producer Representatives

Colombian Milds

Federación Nacional de Cafeteros de Colombia (FNC)	Representative
Sociedad Exportadora de Café de las Cooperativas de Caficultores (EXPOCAFÉ)	Alternate
Asociación de Exportadores de Café de Colombia (ASOEXPORT)	Alternate
African Fine Coffees Association (AFCA)	Representative

Other Milds

Asociación Mexicana de la Cadena Productiva del Café A.C. (AMECAFÉ)	Representative
Asociación Nacional del Café de Guatemala (Anacafé)	Alternate
Asociación Nacional de la Industria del Café A.A. (ANICAFÉ)	Alternate
Codagu Planters Association	Representative
United Planters Association of India (UPASI)	Alternate
India Coffee Trust	Alternate

Brazilian and other Natural Arabicas

Conselho dos Exportadores de Café do Brasil (CeCafé)	Representative
Associação Brasileira da Indústria de Café Solúvel (ABICS)	Alternate
Conselho Nacional do Café (CNC)	Representative
Confederação da Agricultura e Pecuária do Brasil (CNA)	Alternate
International Women's Coffee Alliance (IWCA)	Alternate

Robustas

Conseil du Café-Cacao (3C)	Representative
Indonesian Coffee Exporters Association (GAEKI) / Viet Nam Coffee and Cocoa Association - TBC	Representative
Uganda Coffee Federation (UCF)	Alternate

Consumer Representatives

All Japan Coffee Association (AJCA)	Representative
China Coffee Association	Representative
European Coffee Federation (ECF)	Representative
Korea Commission	Representative
National Coffee Association of USA (NCA)	Representative
Russian Association of Tea and Coffee Producers (Rusteacoffee)	Representative
Specialty Coffee Association (SCA)	Representative
World Coffee Research	Representative